

**SUNNYVALE BELOW MARKET RATE (BMR) HOME OWNERSHIP PROGRAM
ADDENDUM TO APPLICATION**

ELIGIBILITY REQUIREMENTS

Residency

Residency in Sunnyvale requires living at a specific address in the city of Sunnyvale. Actual residency in Sunnyvale, not legal residency, is acceptable. Those who simply have a post office box, park overnight or visit in the city are not considered residents.

First Time Homebuyer

The BMR program is intended for first time homebuyers. An applicant shall be considered a first-time homebuyer if their name has not appeared on a residential property title in the counties covered by the Association of Bay Area Governments (ABAG) or Monterey Bay Association of Governments (AMBAG) for at least three years prior to application. An exception is made for people who were homeowners prior to a divorce settlement. Properties may be owned in foreign countries as well as elsewhere in California or the United States.

Citizenship Requirement

The BMR Home Ownership Program requires that the primary applicant of a household wishing to purchase a BMR unit be a United States citizen, national, or an alien who is lawfully admitted for permanent residence under the Immigration and Nationality Act. Given the very scarce resource of affordable BMR units, it is fair to limit the opportunity to those whose status indicates residency of a permanent nature.

Eligible applicants are either:

- a) natural-born or naturalized citizen of the United States
- b) eligible non-citizen admitted for permanent residence in the United States

Down Payment Requirements

At the time of purchase of a BMR unit, the buyer must have a minimum of 3% of the purchase price in readily available funds for the down payment and closing costs.

Household Composition

A household is comprised of one or more persons who may or may not be related. Every adult who plans to take title to the BMR unit must live in the unit, must be eligible, must go through every step of the application and purchase process, and must agree to comply with the program requirements.

An unborn child can be counted in family size once there is medical confirmation of pregnancy. A child will be considered part of the household when the child lives with a single parent for at least 75% of the time or in instances of joint custody, at least 50%. The applicant will need to submit a copy of the divorce decree or child custody agreement as verifiable documentation. If a divorce is in process, it is not possible to qualify an applicant because family size and financial status is unclear.

All household members applying for a unit must reside as a household at least ninety days prior to an offer to purchase a BMR unit.

Household Composition and Eligibility for Units According to Number of Bedrooms

The number of people declared to be in the household determines the eligibility for BMR units with a certain number of bedrooms. The maximum number of people in the unit is twice the number of bedrooms plus one. Households may be considered for unit sizes according to the following:

Unit Size (bedroom)	Minimum Household Size	Maximum Household Size
One	1	3
Two	2	5
Three	3	7

Allowable Income for Purchase of BMR Unit

The following describes what is and is not included in annual income. NOTE: When a particular form of income appears in both Part A and Part B of this Addendum, it is discussed under the same number in both parts (e.g., military pay is discussed under number 7 in both Part A and Part B).

A. ANNUAL INCOME INCLUDES

1. A. The gross amount (before any payroll deductions) of wages and salaries, overtime pay, commissions, fees, tips, bonuses, and other compensation for personal services of all adults of the household. Includes salaries received from a family-owned business.
B. Net income, salaries and other amounts distributed from a business.
C. Any earned income tax credit to the extent it exceeds income tax liability. Includes credits received in a lump-sum or as part of recurring paychecks.
2. A. The gross amount (before deductions for Medicare, etc.) of periodic social security payments. Includes payments received by adults on behalf of minors or by minors for their own support.
B. Annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts.
C. Lump-sum payments received because of delays in processing unemployment, social security, welfare or other benefits.
D. Payments in lieu of earnings, such as unemployment and disability compensation, workers' compensation and severance pay. Any payments that will begin during the next 12 months must be included.
3. Welfare assistance. If the payment includes an amount specifically designed for shelter and utilities and the welfare agency adjusts that amount based upon what the family is currently paying for shelter, utilities, and special calculations are required.
4. Alimony and child support.
5. Interest, dividends and other income from net family assets (including income distributed from trust funds). On deeds of trust or mortgages only the interest portion of the monthly payments received by the applicant is included.
6. Amount by which education grants, scholarships or Veterans Administration benefits exceed expenses for tuition fees, books, equipment and reasonable rent and utility costs for a student living away from home. (No part of a student loan can be included in annual income.)
7. All regular pay, special pay and allowances (except hazardous duty pay) paid to a member of the Armed Forces who is the spouse or head of household (whether or not living in the dwelling) or has dependents living in the unit.
8. Lottery winnings paid in periodic payments. (Winnings paid in a lump-sum are included in net family assets, not in annual income.)
9. Recurring contributions or gifts regularly received from persons not living in the unit.

B. ANNUAL INCOME EXCLUDES:

1. Employment income of children (including foster children) under age 18.
2. Food stamps, meals on wheels or other programs that provide food for the needy.
3. Grants or other amounts received specifically for:
 - A. medical expenses;
 - B. expenses for attendant care provided by other than a family member living in the household; or
 - C. auxiliary apparatus for a handicapped person.

NOTE: Grants for items 3B and 3C are excluded regardless of whether the care/apparatus results in increased employment income.

4. Payments received for the care of foster children.

5. The principal portion of the payments received on mortgages or deeds of trust.
6.
 - A. Scholarships or veterans benefits used for tuition, fees, books, equipment or reasonable rent or utility costs for a student living away from home.
 - B. Student loans (regardless of how they are actually spent).
7. Hazardous duty pay to a family member in the military.
8. Lump-sum additions to family assets, such as inheritances, capital gains from sale of assets, one-time lottery winnings, insurance settlements under health and accident insurance and workers' compensation, and settlements for personal or property losses.
9. Casual, sporadic or irregular gifts.
10. Payments, rebates or credits received under federal or state energy programs. Includes any winter differentials given to the elderly.
11. Annual rent credits or rebates paid to senior citizens.
12. Income excluded by Federal Statute:
 - A. Relocation payments received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.
 - B. Payments under the Job Training Partnership Act (employment and training programs for native Americans, migrant and seasonal farm workers, Job Corps, veterans employment programs, state job training programs, career intern programs).
 - C. Payments received under Domestic Volunteer Service Act of 1973 (employment through VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions).
 - D. Payments received under Alaskan Native Claims Settlement Act.
 - E. The first \$2,000 of per capita shares received from judgments awarded by the Indian Claims Commission or the Court of Claims or from funds the Secretary of Interior holds in trust for an Indian tribe.

Updating of Information on Wait List

It is the responsibility of the prospective BMR purchaser to keep the City informed about current mailing address, telephone contact information, and changes in the applicant's place of employment, household composition, or income that will affect the applicant's eligibility to remain on the wait list.

Annual certification of continuing eligibility

At least once a year, the City will contact the households on the BMR Home Ownership Wait List and request certification of continuing eligibility and household composition by submission of Form O-4, Annual Recertification: BMR Waiting List.

Required Prepurchase Education

After the applicant is placed on the BMR Home Ownership Wait List and prior to getting an offer to purchase a BMR unit, the applicant(s) must attend a BMR prepurchase education programs offered by the City of Sunnyvale. At the end of the workshops, the applicants receive a certificate of completion. The certificate of completion must be provided as proof of participation in the program and will be submitted in order to close escrow. If the applicant does not attend the program within 90 days of placement on the BMR Home Ownership Wait List, they will be removed from the list.

Application Requirements and Review

Every member of the household 18 years of age or older who intends to live in the BMR unit needs to submit an application, with supporting documentation.

Verifiable Documentation to Support Preferences:

The following are examples of the preference characteristics and the type of documentation that the City will consider as verifiable proof:

Characteristic	Documentation
Reside in Sunnyvale/number of years	Copies of current and past leases, residential telephone bills, signed tax returns; if no lease agreement, written statement from the landlord or property manager indicating length of time at that address
Work in Sunnyvale/number of years	Copies of paycheck(s), IRS W-2s or 1099 forms, Employment verification statement(s) from Human Resources
City of Sunnyvale employee/number of years	Copy of Paycheck; statement from Human Resources regarding tenure
School District employee working in schools with a majority of Sunnyvale residents	Copy of Paycheck, W-2s from past years, or letter from employer
Certified child care teachers working at licensed child care center in Sunnyvale or at child care center operated by school district	Copy of Paycheck, W-2s from past years, or letter from employer
Sunnyvale service industry worker	Copy of Paycheck or letter from employer
Sunnyvale health care workers (e.g. home health care aides, staff in convalescent homes and assisted living facilities)	Copy of Paycheck or letter from employer
Resident of at-risk assisted unit (within 5 years of Affordability expiration)	City has list of affected properties; Proof of residency
Resident of BMR rental unit	Lease or letter from Property Manager
Resident of housing or mobile home park lost due to redevelopment or conversion	City has list of affected properties; proof of prior residency
Number of years on "BMR Priority 1 Waiting List" as of 12/31/03	City maintained list and date
Single parent households	Signed tax return
Number of children under 12	Birth certificates of children; custody decree from divorce if applicant is divorced, and signed tax return
Chronically Ill Persons including those with HIV and mental illness	Letter from Doctor; evidence receipt of SSI
Disabled	Federal/State ID card, evidence receipt of SSI

Sources of Income: The gross annual income of all household members are considered when determining eligibility. The types of income to be verified are described in "Allowable Income for Purchase of BMR Unit (Page 2)". The types of documentation that will be requested include a signed copy of the most recent tax return with all pages and W2s, as well as the following examples:

Source of Income	Documentation
Salary, Wages, Tips, Commissions	Copies of the last six paychecks or other verification of employment
Self-employment income	Two years of tax returns or 1 year of verification of income by a certified public accountant or bookkeeper
Disability payments/SSI	Verification
Spousal/Child Support Income	Interlocutory decree which indicates specified payment or proof of non-payment
Other: Interest, dividends, rental income	Copies of 2 recent statements
Social Security	Verification of Social Security
Pension, VA, Retirement Income	Verification

Documentation to Support Assets: The assets of all household members are considered when determining eligibility. All assets over \$5,000 are included in the eligibility determination. The following is the types of assets to be verified and the type of documentation that will be requested:

Asset	Documentation
Checking Account, Savings Account, Money Market Fund	Copies of two most recent statements indicating deposits, interest rates
Profit Sharing Plan, IRA and/or 401K, PERS or Other Retirement Account	Copies of two most recent statements indicating deposits, interest rates; documentation stating penalties for withdrawal
Stocks	Copy of each; for stock prices attach a copy of recent dated newspaper and underline company showing value of stocks
Bonds, including Savings Bonds	Copies of each
Real estate property/mobile home owner	Letter from a licensed broker or bank financing the property estimating market value of property; most recent loan statement indicating amounts paid and amounts owed, or other documentation as requested.

Assets are limited as follows:

- A maximum of \$100,000 is acceptable for applicants up to age 55
- A maximum of \$225,000 for applicants age 55 and older.

Co-applicants and co-signers: The City will accept applications from more than one adult who will live together in a BMR unit as co-applicants. The combined income of the co-applicants to purchase a BMR unit must be sufficient to qualify for the program.

Co-signers are not accepted.

Minimum Cash Available: The applicant should have sufficient readily available assets for a minimum of 3% of the purchase price for down payment and closing costs. The City can consider exceptions on a case by case basis, but in no circumstances can the unit be financed for more than 100%. If other than savings, a “gift letter” is required. The letter shall state the money is a gift that is not to be repaid and must be signed by the giver.

Documentation to Support Citizenship: The following are acceptable forms of documentation.

- A. Citizens: When an applicant indicates on the application that he/she is a natural-born citizen, no further verification is made. A naturalized citizen must submit a copy of the citizenship certificate granted by the Bureau of United States Citizenship and Immigration Services (USCIS) of the United States Department of Homeland Security.
- B. Eligible Non-Citizens: An eligible non-citizen must present any of the following USCIS documents:
 1. Form I-551 – Alien Registration Receipt Card (for permanent resident aliens), or Form I-151, Alien Registration Receipt Card (for permanent resident aliens issued prior to 1979)
 2. Form I-94 – Arrival-Departure Record, with one of the following annotations:
 - a. “Admitted as Refugee Pursuant to section 207”
 - b. “Section “208” or “Asylum”
 - c. “Section 243(h) or “Deportation stayed by Attorney General”
 - d. “Paroled pursuant to Sec 212(d) (5) of the INA”
 3. If Form I-94, Arrival-Departure Record, is not annotated, it should be accompanied by any of the following documents:
 - a. A final court decision, granting asylum (but only if no appeal is taken);
 - b. A letter from an USCIS asylum officer granting asylum (if application filed on or after October 1, 1990);
 - c. A court decision granting withholding of deportation; or
 - d. A letter from a USCIS asylum officer granting withholding of deportation (if application on or after October 1, 1990).
 4. A receipt issued by the USCIS indicating that an application for issuance of a replacement document in one of the above-listed categories has been made and the applicant’s entitlement to the document has been verified.”